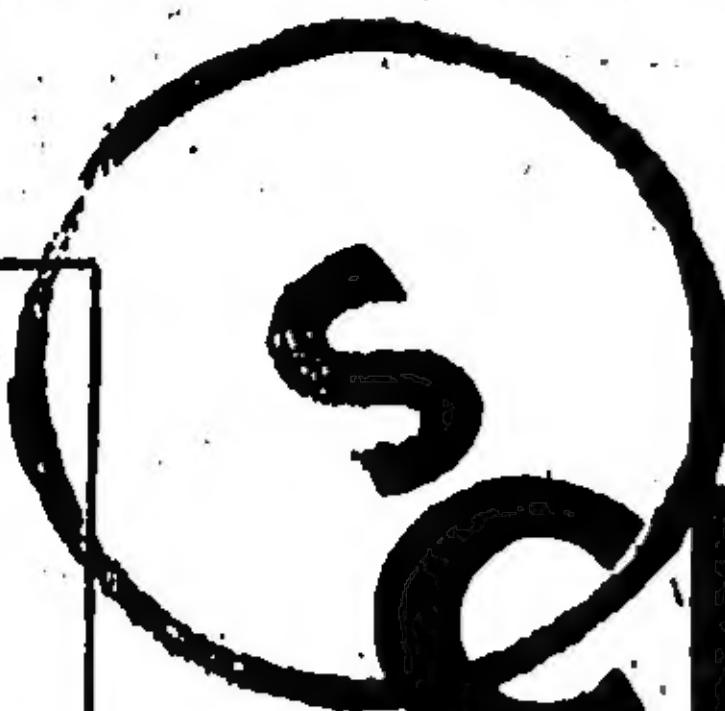


VISIT
GILMAN
MOTORS
NEW CITY SHOWROOM
PEDDER STREET H.K.



No. 36504

FRIDAY, AUGUST 3, 1956.

THE WEATHER: Moderate S.W. winds. Fair and hot.

RELAX IN DAKS
THE RUMBLE CONFIDENT
IN ACTION TRUCKERS
Whiteaways

COMMENT OF
THE DAY

NATO Evolves
A New Look

Of the many problems confronting NATO in its self-appointed task of re-organisation, none is more important or trickier than that of readjusting its military forces and potential.

It is recognised there is a need for a re-appraisal of the strategic needs of today and a necessity for some military re-thinking. And this is governed by three cogent reasons. Firstly, the effect on all military planning of the existence of atomic and thermonuclear weapons; secondly a sense of a certain relaxation of international tension; thirdly the serious economic burden of large armaments.

The problem thus raised has to be tackled by NATO through a continuous process of planning—an "annual review" based on three factors: assessment of the international situation, and of its potential dangers; computation by the military experts of the military requirements; correlation of military requirements and of economic possibilities. Finally comes the allocation of "force goals" to each member.

THE process is somewhat comparable to that which goes on every year in every national government, but with NATO it is carried out on an international scale. The system is the most important evolution that has taken place since the foundation of NATO itself. It involves a measure of military and economic co-operation hardly foreseen when the North Atlantic Treaty was signed seven years ago.

Though force of circumstances have brought about this development, it has come gradually and not suddenly. There has been no formal acceptance of any limitation of sovereignty. But the custom has been established and is not now questioned. The NATO powers now accept the principle that, in a wide field, which affects fundamental issues of financial and economic policy, none of them will take major decisions without full consultation and agreement between the partners. It is, in a way, a quiet revolution.

THE task of reaching agreement between the governments of independent states, each democratically responsible to its own parliament and electorate, is never an easy one. There are signs, for example, that the process of agreeing on "force goals" as a result of this year's "annual review," may be more difficult than in earlier years. A new situation has been created by the current "soft look" of Soviet foreign policies, and there are many complex factors to be taken into consideration.

Nevertheless the principle that defence problems can only be settled in NATO by agreement between all the allies is now accepted. Carried into effect, it will mean that, instead of "drifting apart" there will be, among the NATO partners, a closer integration of policies than ever before. It is such solidarity that provides the best and strongest defence for the free world.

'HITLER ON THE NILE'

Sefton Delmer, the man who was expelled from Egypt earlier this week, writes about "Hitler on the Nile" and the Suez grab in tomorrow's China Mail.

Don't miss this penetrating report about the decision that shook the world, written by a famous foreign correspondent.

It is only one of the highlights in tomorrow's feature-packed China Mail. Watch out also for these:

Sir Beverley Buxton writes on the new vice wave in London.

No. 2 in the China Mail success course. How to talk your way into a job.

Genius in Gaol: Leslie Ayre tells the story of O. Henry.

There are all your favourite features as well including Jane Roberts film reviews, three pages of local and overseas pictures, special sections for women, children and sportmen, cartoons, comic strips — and Glices — all in the China Mail.

TODAY'S SUEZ NEWS AT A GLANCE

Here is today's Suez Canal at a glance:

The Foreign Ministers of Britain, France and U.S. finished their conference in London yesterday and issued a communique calling for a 24-nation conference on August 16 to internationalise the Canal.

Three Royal Navy aircraft carriers carrying reinforcements will sail for the Mediterranean next week, the Admiralty announced. The Air Ministry announced several squadrons of Canberra jet bombers had left for the Middle East.

Egyptian official circles rejected the Western proposal for international control of the Suez Canal. Cairo was reported "outwardly calm" in spite of Anglo-French military preparations.

Various Egyptian organisations, unions and syndicates pledged their support for the President. 15,000 French nationals have been advised by the Cairo Embassy to leave Egypt.

About 2,000 Americans living in Egypt have been told by the U.S. Embassy to "rest assured" they would be promptly informed if future developments should make their evacuation advisable.

On his return to France from London, the French Foreign Minister, M. Christian Pineau said he felt most nations invited to the London conference would adhere to the Western viewpoint that the Canal should be internationalised.

The American Secretary of State, Mr John Foster Dulles, accompanied by Mr Robert Murphy, Deputy Under-Secretary of State left London for Washington at the completion of the Big Three talks. Mr Dulles said: "I think we made solid progress."

BIG THREE COMMUNIQUE OUT

1. Egypt's Action Condemned

2. 24-Nation Talks Proposed

'CANAL MUST REMAIN UNDER INTERNATIONAL CONTROL'

London, Aug. 2.
Britain, France and the United States tonight proposed a 24-nation conference to be held in London on August 16 to consider the establishment of international control over the Suez Canal.

In a communique issued after five days of talks here, the Western Big Three condemned Egypt's nationalisation of the waterway last week as "arbitrary and unilateral."

They deplored what they described as Egypt's "denial of fundamental human rights" by compelling the employees of the Suez Canal Company to work under threat of imprisonment.

The countries invited are Egypt, France, Italy, the Netherlands, Spain, Turkey, Britain, Russia, Australia, Ceylon, Denmark, Ethiopia, Western Germany, Greece, India, Indonesia, Persia, Japan, New Zealand, Norway, Pakistan, Portugal, Sweden, and the United States.

They deplored what they described as Egypt's "denial of fundamental human rights" by compelling the employees of the Suez Canal Company to work under threat of imprisonment.

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LORDS DEBATE NATIONALISATION OF CANAL NASSER ACCUSED OF HOSTILITY



LORD READING

Honour For Japanese Prince

Colombo, Aug. 2.
Prince Mikasa, youngest brother of the Emperor of Japan, will receive a honorary Doctor of Laws degree from Ceylon University during his fortnight's visit to Ceylon this month to take part in the Buddha Jayanti celebrations.

The Prince, accompanied by Princess Mikasa, will arrive here in a special aircraft on August 17 and drive in state to Queen's House, official residence of the Governor-General, Sir Oliver Goonetilleke.

According to the official programme of the tour released today, the Prince next day will open a meditation centre in Colombo while Princess Mikasa will visit two social service institutions.

Later that day the royal visitors will go to Kandy, where, after planting commemoration trees in the royal botanical gardens, they will dine with the Prime Minister, Mr Solomon Bandaranaike.

VISIT TEMPLE

On August 21 they will visit the famous Temple of the Tooth. At an old palace near the temple they will meet Kandyans dressed in traditional costume.

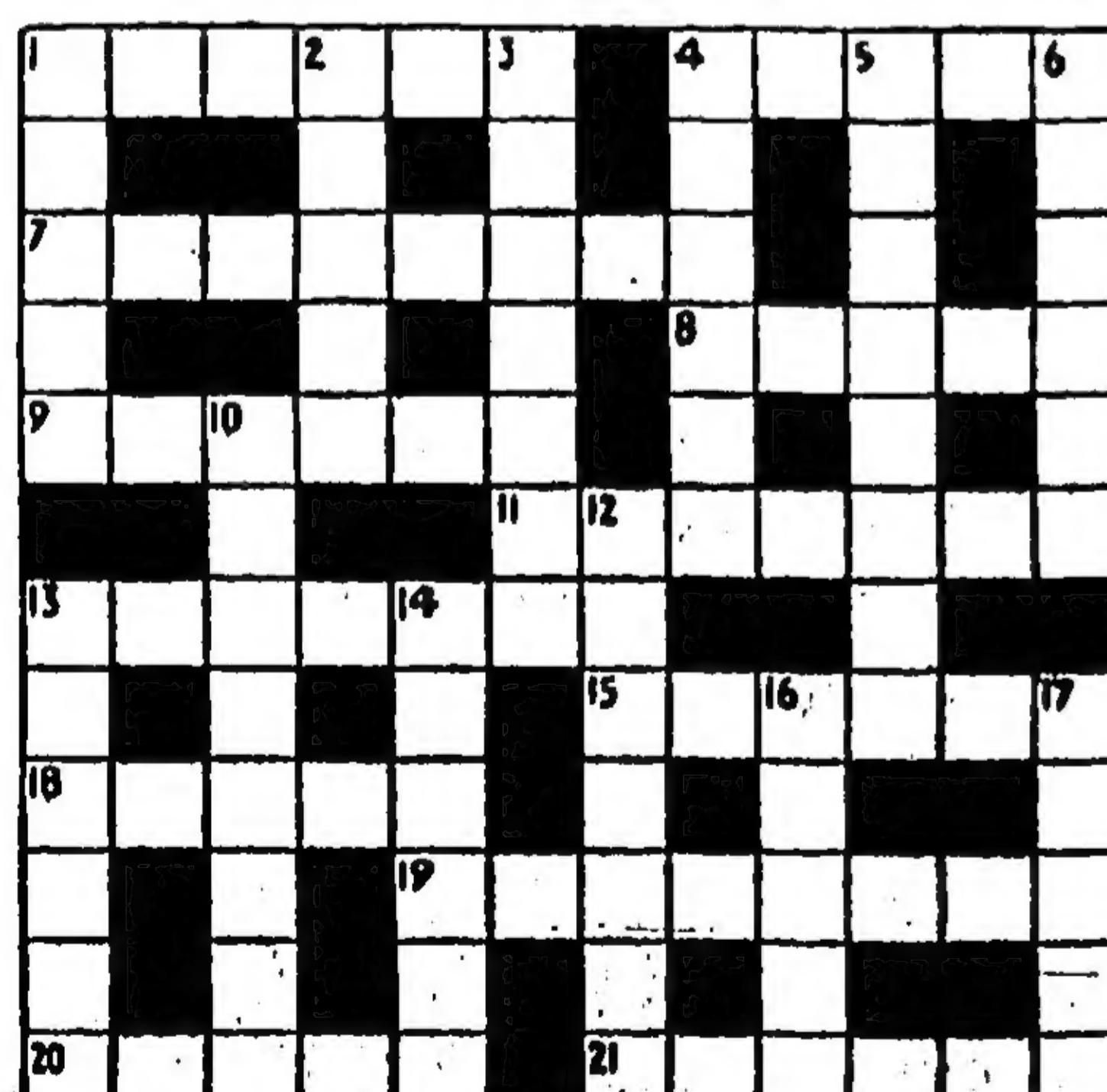
Next day the Prince will receive an honorary Doctor of Laws degree at Ceylon University, Peradeniya, four miles from Kandy.

Later he will deliver a convocation address at the university.

An exposition of the tooth relic will also be held during the day in honour of the visitors.

During the second week of their stay, the Japanese royal guests will go sightseeing before leaving for home on August 30.—China Mail Special.

A British Crossword Puzzle



ACROSS

- Accent (6).
- Throw out (5).
- Lucy (6).
- Walton (6).
- Special aplitude (6).
- Precious stone (7).
- Put back (7).
- Endured (6).
- Severe (6).
- Friendly (6).
- Trick (5).
- Vegetables (6).
- Acres (6).
- Railway (6).
- Portion (6).
- Over (6).
- Anow (6).
- Entreat (7).
- Vow (6).
- Began (6).
- Dreaded (6).
- Newt (6).
- Stags (6).
- Unit (6).
- Noir (6).
- Adhered (6).
- Egg (6).
- Down (6).
- Throne (6).
- Stagger (6).
- Allow (6).
- Repute (6).
- Adore (6).
- U Lister (6).
- 7 Arano (6).
- 12 Avild (6).
- 13 Ervo (6).
- 14 Edges (6).
- 15 Tint (6).
- 16 Severe (6).
- 20 Ensure (6).
- 21 Awning (6).
- 22 Rated (6).
- 24 Angle (6).
- 25 Dared (6).

Milking Resources For Aswan Dam Unacceptable

London, Aug. 2.

Lord Reading, Minister of State for Foreign Affairs, told the House of Lords today Colonel Gamal Nasser had proved himself "beyond doubt, hostile, rancorous and irresponsible."

Speaking in a debate on Egypt's nationalisation of the Suez Canal he said:

"We cannot accept the proposition that a vast international service such as the Canal supplies shall be recklessly milked of its resources for the construction of a dam for the internal benefit of Egypt alone."

Lord Attlee, former Labour Prime Minister, said the seizure of the Canal was only part of a much wider problem.

"If our objective is an international waterway, our means of attaining our end must also be international," he said.

World Opinion

"It is essential to carry the greater part of world opinion with us," he declared.

Lord Stansgate, Labour, said he could not see that legally speaking Colonel Nasser had done anything in the breaking of the law. He did not think Colonel Nasser wanted to make trouble but to justify his revolution. To do that he must have money, must have the Aswan Dam and irrigate the desert.

In Washington Mr John Hollister, Director of the International Co-operation Administration (ICA), said today the United States had not cut off its aid to Egypt after the Egyptian Government nationalised the Suez Canal.

Hollister, speaking at a press conference, said the United States earmarked 27 million dollars in economic aid for Egypt for the fiscal year 1957 but was not bound in any way to deliver this.

He said this principle applied to Egypt as it did to all beneficiaries of American aid.

Big Three Decisions

Hollister said the United States at present was delivering small amounts of aid to Egypt worth only several thousand dollars. He said no substantial aid had been supplied to Egypt since the Canal was nationalised.

American foreign aid officials will from now on take into account the decisions made at the Big-Three Suez Canal conference in London when allotting aid to Egypt.

Mr Dmitri Shepilov, Soviet Foreign Minister, was understood to have discussed the Canal situation with the Italian

MISSING COUPLE MURDERED?

London, Aug. 2.
The London Daily Express said today that tribesmen may have murdered a 32-year-old American and carried off the pretty Swedish girl he was about to marry.

In a dispatch from its correspondent in Kabul, Afghanistan, the Express said the tribesmen are believed to have murdered Peter Winant, nephew of former US Ambassador in London, John G. Winant.

Winant and his fiancee, 26-year-old Gunnar Gummerson, disappeared two months ago seven days after leaving Kabul on a hitch-hiking trip to Europe. They were last heard of in the North Afghan town of Shiberghan—20 miles from the Russian frontier.

PIECE OF PROPERTY

The Express said that "in this fanatically Moslem country where a woman is regarded as a piece of property to be stolen just like a goat or a blanket, the most likely theory is that Winant was killed in his sleeping bag and the girl carried off to a purdah compound."

"But she too may now have been murdered because of fears caused by a joint American-Afghan expedition just back from an enquiry mission along the trail the couple took."

"US Embassy officials discount a Burgess-MacLeam type flight to Russia."

Mr Lincoln White, spokesman for the State Department, said in Washington that there was no truth, so far as we known here, in the report.

GREATLY DISTRESSED

Mr White said Mr Frederick Winant, father of Peter Winant, was greatly distressed at the report which he had heard over the radio.

He also said there was nothing to the romantic angle in the British paper alleging they were engaged. He said they were just youngsters making their way home after doing a job in Sweden.—United Press.

JUNGLE WAR TRAINING

Adelaide, Aug. 2.
"Alligator Gorge" in the Flinders Ranges, South Australia, is to be used by the Army to train troops in jungle warfare, in spite of protests from naturalists.

The Army said that Australia's military commitments in Southeast Asia made it necessary to carry out jungle warfare training.—China Mail Special.

YESTERDAY'S CROSSWORD—Across: 1 Etna, 4 Railway, 8 Loud, 9 Oral, 10 Portion, 11 Over, 12 Anow, 14 Entreat, 17 Vow, 19 Begun, 22 Dreaded, 26 Newt, 27 Hare, 28 Stagger, 29 Unit, 30 Noir, 31 Adhered, 32 Egg, 3 Down: 2 Throno, 3 Allows, 4 Repute, 5 Adore, 6 U Lister, 7 Arano, 12 Avild, 13 Ervo, 14 Edges, 15 Tint, 16 Severe, 20 Ensure, 21 Awning, 22 Rated, 24 Angle, 25 Dared.

Cairo Journalist Warned

Cairo, Aug. 2.
The Egyptian authorities have ordered the Cairo correspondent of the New York Daily News, Mr Issa El Korashy, an Egyptian, not to send any more reports to his newspaper, the Information Department announced today.

This was because he had reported that Egypt had hired Russians to work as Suez Canal pilots, which was "completely untrue," the department said.

Two correspondents of British daily newspapers were ordered expelled from Egypt yesterday.—Reuters.

TALKING TERRORISTS OUT OF JUNGLE

Singapore, Aug. 2.
A local Indian amateur dramatic troupe is touring the Malayan Federation in an effort to induce the few remaining Indian terrorists in the jungle to surrender.

The troupe, government-sponsored and working with the psychological warfare teams of the Malayan Department of Information, is composed of members from all walks of life, including a teacher and a taxi driver.

It has visited such notorious bandit-infested districts as Kluang, Sungai Siput, the Cameron Highlands, Tapah and Sungai.

PASS ON INFORMATION

"We pass on information to our audiences on how they can help in inducing the Indian terrorists to surrender and the privileges they will enjoy if they give up their struggle against law and order," said Mr A. Thurumadurai, leader of the troupe.

The troupe's programme includes classical dances, comic sketches and talks on citizenship, co-operative movement and day-to-day Malayan emergency.—Reuters.

Students Aid Sightless

Canberra, Aug. 2.
Asian students in Sydney have presented the Royal Blind Society of New South Wales with a £400 cheque (£320 sterling), the proceeds of a concert organised to entertain Australian friends and to acknowledge hospitality extended by them the External Affairs Department announced.—China Mail Special.

They said there is little chance of concluding a new agreement before the end of this month. Any such agreement must be approved by King Saud, who is about to leave Saudi Arabia on a month's visit to Afghanistan and Indonesia.

The big air base at Dhahran is located on the Persian Gulf within easy striking distance of Russia's Baku oil fields. The 1951 agreement giving the United States the use of the base expired on June 18, and American Ambassador George Wadsworth has been trying to work out a new five-year lease since early in June.

Kept Secret

Officials have kept secret the exact demands Saudi Arabia is making in return for renewal of the base agreement. But it was learned that lower level Saudis at one point suggested officially that the United States should pay a \$50 million yearly rental. The Saudis probably would like some of this in arms for their budding armed forces.

EX-CROWN PRINCE PASSES EXAM



Italy's ex-Crown Prince Victor Emmanuel of Savoia, who, while abroad, officially assumed the name of "Victor Di Savoia," passed the classical maturity examination at the Classical Latin School at Legnano. His leaving certificate now enables him to start studying at an Italian University. He is pictured right in the course of a walk.—Express Photo.

RITUAL JAPANESE LAKE-SPIRIT DANCE



Dressed in traditional ceremonial robes of embroidered silk, wearing gold crowns with tinkling ornaments, these young Japanese girls are dancing in homage to the spirit said to live beneath the waters of Lake Kawaguchi-Ko at Ochimura. This Shinto rite is an ancient one; the girls chosen to perform practise for a year beforehand. The dance is carried out to the beat of drums on a lakeside jetty overlooked by Mount Fuji. To remind the dancers that there must be no word spoken in the presence of the lake spirit, the girls wear rope halters tied round their jaws.—Express Photo.

US Unable To Reach Agreement With Saudis For Air Base

Washington, Aug. 2.
After nearly two months of negotiations the United States and Saudi Arabia are still far apart on a new American lease for the vital Dhahran air base, informed sources said today.

The United States which has never paid rent for the base, has made it clear it does not intend to start doing so now. Officials said the United States made these two points:

1. The United States does not pay rent for any of its overseas military bases on grounds that the mere maintenance of the bases results in benefits for both the United States and host nation.
2. The United States has no intention of supplying Saudi Arabia with a big flow of weapons. The United States has carefully avoided shipping big new supplies of weapons to either Arab nations or Israel because it does not want to contribute to a Middle Eastern armed race.

Going Slowly

While the negotiations for renewal of the base are going slowly, American officials refuse to give up hope that a new agreement will be concluded. They note that the original 1951 lease required a full year to negotiate.

State Department officials have flatly denied reports that the United States is considering quitting the Dhahran base and moving it to nearby Qatar, a British-protected region on the Persian Gulf. It is understood responsible officials feel it would be only a matter of time until native people in Qatar take control of their own territory and perhaps force foreign military influences out.—United Press.

BRITISH 'SPACEMAN' RAMJET

London, Aug. 3.
A British firm today announced production of a "spaceman" ramjet engine capable of more than 2,000 miles per hour at altitudes of 25 miles.

The announcement was made by the Bristol Aero-Engine Company at a security-conscious press conference. Only general details were given.

The manufacturers said their engine was capable of propelling aircraft of the future at speeds of 2,000 miles per hour "plus" at altitudes of 120,000 feet (about 25 miles).

TEN TIMES FASTER

"It is a supersonic unit suitable for both guided missiles and manned aircraft," said a spokesman. "It is ten times faster than the conventional jet engine and at high altitude has a superior, highly economical fuel capacity. It is also as good as anything revealed in this specialist field by any other country in the world."

The project took six years to complete and was carried out "with the full backing" of the British Ministry of Supply, which is expected to order some of the ramjets.—United Press.

Lim Makes Progress In London

London, Aug. 2.
Singapore's Chief Minister, Mr Lim Yew-hock today met Conservative and Labour members at the House of Commons.

His talks with the Colonial Secretary have been useful for exploratory purposes, he is reported to have informed them.

He saw the Colonial Secretary for dinner last week and, at luncheon on Tuesday this week.

Their explorations of the possibilities for Singapore's self-government aspirations are to be continued through correspondence in the hope of finding a formula which will enable next winter's negotiations to succeed where the May negotiations broke down.

Mr Lim is reported to have made certain proposals to the Colonial Secretary modifying the structure of the defence and security council over which two sides fell out in May.

The Colonial Secretary apparently decided to give the Conservatives, and Friends,

Summer Sale

MORE AND
MORE PEOPLE

ARE SAYING
THE SAME!

AMAZING
BARGAINS

ARE STILL AVAILABLE
IN WIDE CHOICE
AT...

Lane, Crawford's

TO-NIGHT
Parisian Grill

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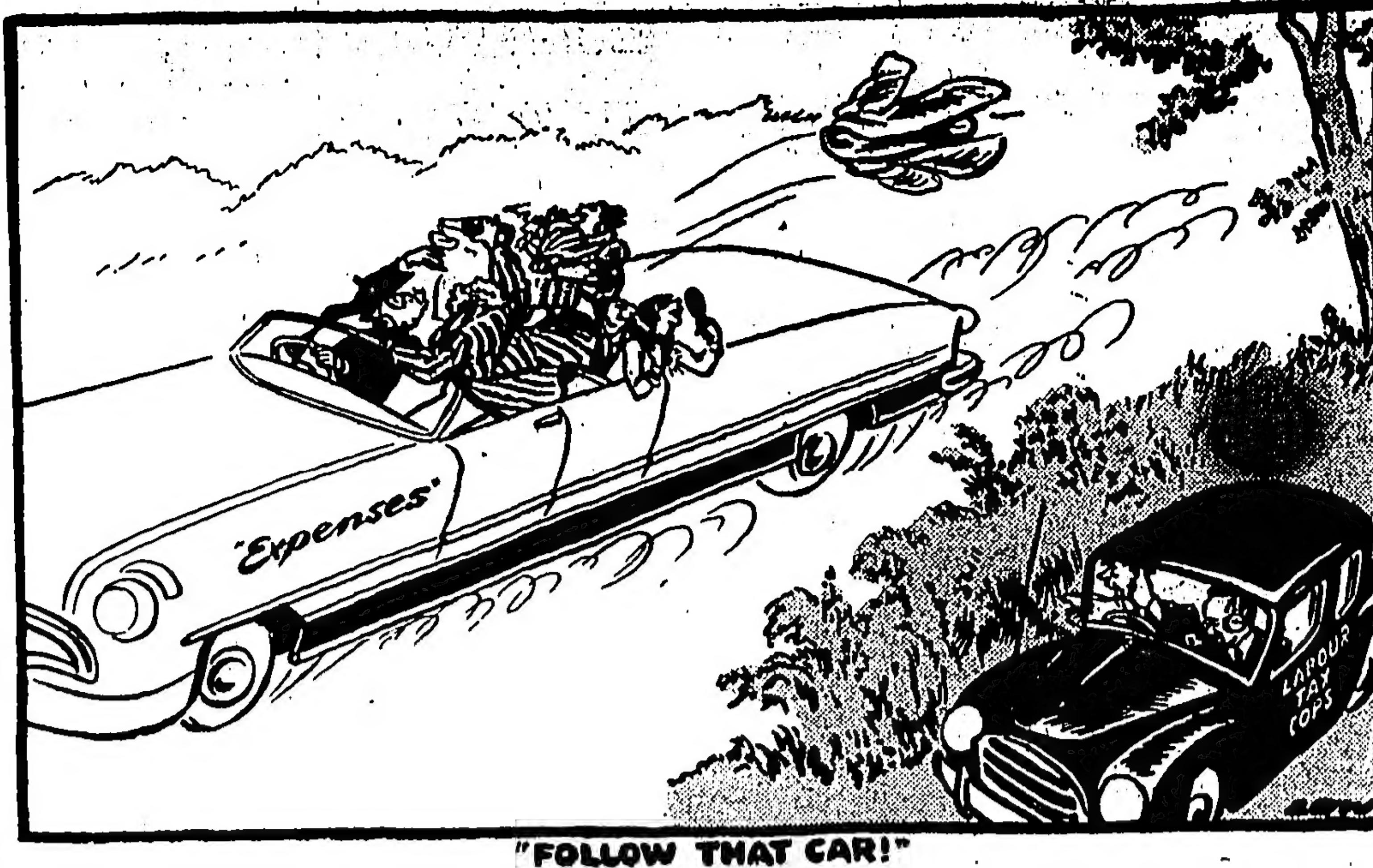
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HOMECOMING TO EMPTY PROMISES

By DAVID LAIDLAW

GIPSY music, salami and brandy at the frontier, complete forgiveness of the heinous offence of having "criminally" fled the country, transport at government expense, a generous subsidy, a house and a job when they reach their home town—these are the promises held out by Communist governments to induce exiles to return from the free world.

Once across the border, however, the repatriates find that few of these promises are honoured.

To the Communists, the exiles are merely pawns in a game. They are not interested in having them back for their own sake but simply for their propaganda value. Every Russian or East European in exile—and large numbers of refugees make their escape daily—is a living reproach to the Communist way of life. Each one who can be induced to return helps to even the score.

If they can be persuaded to return to the conditions in the home country have improved, that the plight of their compatriots in the free world is dismal, and that they originally fled the country under the influence of "hostile propaganda", so much the better.

The Communists are untiring in their efforts to seek out refugees. Embassy officials and others tell them about the amnesties and the subsidies available, and paint a glowing picture of the life they will lead. Sometimes they are sent newspaper clippings of propaganda articles written by returned exiles; sometimes relatives are forced to write touching letters appealing to them to return, and sometimes threats are used.

WARNINGS

OFTEN these measures misfire. The crew of a Rumanian ship visiting a Greek port, for example, let out that they were allowed to mix with refugees only on condition that they tried to persuade them to return. They warned refugees in confidence that the promises were all hot air.

Relations, too, sometimes warn intending repatriates. One Rumanian refugee in Paris, who had told his parents he was coming back, got a letter advising him to remain in the West, "as the climate in Israel is not at all healthy." They had substituted Israel for Rumania. What happens to those who do return?

Even the young and strong can work frequently get a very raw deal. There are numerous cases of workers having to abandon the kind of employment for which they have been trained and to accept something inferior.

A Hungarian jockey, for example, who returned to Hungary from Austria with his wife, was given 100 forints (£1 sterling=32.60 forints) to last him until he found a job. The dormitories involved in getting a Labour Book (without which it is impossible to find employment) took one and a half months. Eventually he found a job at the Aleg race track but he was never granted a riding permit although he repeatedly

applied for one. At last he gave up all hope of being a jockey again and took a job at a State canteen.

The case of Mieczyslaw Blazczyk was so bad that he was actually refused in the Polish paper, Tygodnik Powszechny in May this year. He was a Pole who married a Frenchwoman and later worked as a miner in Belgium.

USELESS

HIS father and sister begged him to return to Poland, so he approached the Polish Consulate in Brussels. Would he be able to find a house and a job in Warsaw? he asked. Yes, he would get an apartment and any job he wished. And the authorities added that miners were earning as much as 4,000 zlotys a month (£1=11.20 zlotys). This convinced him, and he and his wife and six children went back.

In Poland he found an acute housing shortage. Coldly the Repatriation Bureau told him he could not hope for an apartment in Warsaw. Instead, he should go to the Western Territories. It was useless for him to point out that he had come back expressly to be near his father and sister, who lived in Warsaw. At present he and his family are huddled together in a small room in his sister's house. To drown his troubles he found that as an "unqualified"

worker, far from earning 4,000 zlotys, he could not make even 1,000. Not surprisingly, his wife, bitter and disillusioned, wants to go back to France with the children.

Sometimes accounts are received of people being forced to undertake work extremely distasteful to them. A Czech, for example, who was induced to return by the news that his mother was ill, was asked to act as a spy. He objected, saying he wanted to visit his mother. He was told that she was well but that he could not visit her for the time being. If he would just undertake one mission in Western Germany he would be allowed to resume civilian life.

Faced with this blackmail he agreed. On his return he was told that the first journey had merely been to test his reliability; his real task was yet to come. Realising that he had been tricked, he pretended to fall in with the Communists' plans, but once across the West German frontier, he gave himself up to the authorities.

ARRESTED

OCCASIONALLY people are treated well at first, only to be arrested later on trumped-up charges. A refugee quoted the case recently of a farmer who had been welcomed and given back his farm, but within a few weeks he had been arrested

for not fulfilling his quota. He was sentenced to seven years' hard labour, and his farm was confiscated.

A particularly mean trick was played on a Hungarian waiter who was forced to sell his car for practically nothing. He returned from France with his wife in September 1955. A great fuss was made of them, and two wagons were put at their disposal to carry their luggage, including the ill-fated

car. He soon found that as a private person he could not get a car licence. He looked around for a buyer and eventually found one—a doctor who agreed to pay 40,000 forints. Before the deal could be concluded, however, he received a letter from the Budapest centre of "Autoker" (the State car dealers), saying he could only sell the car to them and that they would pay no more than 3,000 forints. If he refused the offer it would be confiscated.

FALSEHOOD

THE treatment given to the returned exiles is causing a number of them to attempt to flee once more to the West, thus completely spoiling the propaganda value of their return. The Polish newspaper, Tygodnik Powszechny, seems to have realised this, for it has suggested that in addition to issuing a "cordial, warm invitation" to exiles the Poles should tell the truth about "our still difficult life."

Another Polish journal, Tygodnik Demokratyczny, depicts the fact that the programmes put out by the Polish radio for Poles abroad gives a picture of life in Poland very different from that given in the national programmes. As the journal points out, listeners to both programmes will note the discrepancies and be convinced not of the "malfice" of People's Poland, but that "shortages and deficiencies are being covered up by falsehood."

ALREADY MEN ARE FLYING INTO SPACE

By Chapman Pincher

MEN are already flying range rockets with speeds up to 10,000 miles an hour in the fringe of space. Flying machines which can take off and land vertically like the space-ships of fiction are already in operation.

The three-decker rocket now being built to take up next year's artificial satellite will reach a speed of 18,000 miles an hour.

A giant rocket now being designed in Britain will guide itself to its target by the stars. Telescopes peering from its nose like expressionless eyes will remain focussed on selected stars while the missile flies for hundreds of miles through space.

Pressing Ahead

LIIGHTWEIGHT atomic engines for aircraft and rocket-pulsion were regarded as "unrealistic" by most scientists three years ago. It would never be possible to reduce the weight of the safety shield enough for an atom-driven engine to be lifted off the ground economically, they thought.

Now the project is realistic enough for Rolls-Royce and several U.S. firms to invest money and top-notch talent in it.

These projects are being pressed ahead with the utmost urgency for military purposes. If they are never used in war, as now seems likely, will they be used for exploring the moon and planets?

My guess is that even if disarmament comes, Governments will continue with conquest of space for reasons of national prestige. There is every sign that Russia will force a cracking pace and that Britain and America have no intention of being left behind.

That is why I side with the space-enthusiasts who believe that the man who will first step on to the arid surface of the moon has already been born.

POCKET CARTOON
by OSBERT LANCASTER

ON CINEMA

LADY CHATTERLEY'S LOVER

"No, darling! Aunty's already told you that she'll explain all about poor granny when you're a little older!"

ASWAN MOVES MAKE INDIA WONDER

From STEPHEN HARPER

New Delhi.

THE withdrawal of British and United States aid in financing Egypt's Aswan Dam project has shaken the ruling circles of India. The timing of the withdrawal, when Premier Nehru was chumming with President Nasser in Cairo, is believed to be no coincidence. It is taken as an intended warning that the West's massive aid to India could stop, too.

Whether the withdrawal by

the West from Nasser's favourite project was intended that way or not, it represents the West's greatest political triumph. In Asia since the B.R. tour last summer gave Russia the initiative in the struggle for the sympathies of unaligned India. That struggle is vital because the way India goes may be followed by most of uncommitted Asia and Africa.

With the Soviets, the economic and cultural penetration of India is top priority.

Then surely, you are saying

it is a contradiction to call the Aswan decision triumph for the West in Asia. Not at all.

Aswan is a triumph because

it has made India's rulers realise that they cannot do without Western aid.

Until now they have taken aid

so much for granted.

Aswan has changed all that.

It has made India wonder about

the \$2,000 million in foreign aid she budgeted for in her new five-year plan.

ALARMING THOUGHT

The alarming thought that America might not be certain to underwrite that plan is likely to shake back to reality some of the exponents of India's neutralist morality, which, reasonably, is oriented towards peace-loving Indians and Chinese.

The Indians know that Western aid, which is a petty politicians' line, is more concrete than Russian

I say the Aswan decision is the first glint of hope in the dark morn of Western policies in this part of the world. Now the West must follow through.

Let us have no more hang-dog apologies as the cash is handed out. There is nothing to be ashamed of in saying that aid is given to forestall Communism.

And let us make clear that

the full-bellied leaders of

these uncommitted Asian countries cannot go on expecting

the best of both worlds.

The neutrality that puts its

tongue out at the West and

holds a hand out to the Communists is not the high morality which Premier Nehru says it is.

It is political opportunism —

unprincipled blackmail for ever

larger slices of help.

It makes countries like

Pakistan, who have courage to

accept the responsibilities and

risks of alignment with the West, wonder why they bothered.

DID YOU KNOW?

To retain the polish of your wicker chairs and furniture a little coarse sugar in the water in which they are washed will work wonders. It will also prevent them from creaking when they are dry. We admit that there are other uses for our sugar, for instance why not try making a dark brown cake from our BARBADOS sugar. It's ideal for that sort of thing.

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NOTICE

THE HONGKONG AND SHANGHAI BANKING CORPORATION

NOTICE is hereby given
that an Interim Dividend of
£2.0. per share has been
declared in respect of the year
ending 31st December 1956 at
the rate of 1/2.18/16d. per
Dollar.

This Dividend will be payable
on or after Monday, 18th
August, at the Offices of the
Corporation, where Share-
holders are requested to apply
for Warrants.

THE REGISTER OF
SHARES of the Corporation
will be closed from Friday,
27th July to Saturday, 11th
August, 1956 (both days
inclusive) during which
period no transfer of shares
can be registered.

By Order of the Board
of Directors,
MICHAEL W. TURNER,
Chief Manager.

Hongkong, 10th July, 1956.

NOTICE

BANK HOLIDAY

The Exchange Banks will
be closed for the transaction
of public business on Monday,
6th August 1956 (The
first Monday in August).

Hongkong, 2nd Aug., 1956.

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CZECHS ANALYSE THE NEW CULT

'It Is The People Who Make History'

Prague, Aug. 1.

Big names from Napoleon to Khrushchev have come under scrutiny as puzzled Czechoslovaks probe the cause and effect of the cult of personality.

They cropped up in newspaper explanations of the "evils" of Stalin's one-man rule in the Soviet Union and the cult of his personality and in some Czechoslovak Communist leaders' personalities in this country.

Napoleon was brought into the discussion in an article in the youth organisation's newspaper, Mladá Fronta, answering a reader who wanted to know whether it was the people or strong individuals who made history.

Popular Masses

The newspaper replied that the "popular masses" were the makers of history, even though they may not have realised it, but it added that outstanding individuals who were the leading representatives of various social classes also influenced the course of history.

The newspaper added that it would however be a mistake to think that there would have been a gap in history if there had been no Napoleon.

It further stated that nobody now believed that German fascism would not have started World War II if it were not for Hitler because the decisive factor was not the will and power of Hitler but the expansive character of German imperialism.

This and other newspapers defined the cult of personality as artificially exaggerating someone's merits, glossing over his mistakes and creating a myth of infallibility about him.

Another reader accused the newspaper of the Ministry of Agriculture, Zemedelske Noviny, of fostering the cult of personality in a report about Mr Sergei Khrushchev, son of the Soviet Communist Party First Secretary, Mr Nikita Khrushchev.

The reader complained that the newspaper had reported that during the recent visit of his father and Marshal Nikolai Bulganin, Soviet Prime Minister, to Britain, young Khrushchev was shown round the Houses of Parliament and then dined with the son of Sir Anthony Eden, the British Prime Minister.

Rejected

The newspaper rejected this criticism: "Where is any cult of personality here?" It exclaimed, and asked if the reader wanted it to cut out references to a certain person merely because he was related to some outstanding personality.

It added a warning against "interpreting the concept of the cult of personality widely and harshly" and going to the opposite extreme of not recognising personality in all.

"Today if you say you like some outstanding person you must be prepared to have a warning finger levelled at you accusing you of the cult of personality," the newspaper complained.

A woman's weekly magazine, Vlasta, joined in the debate with an attack on despicable husbands who, it said, create a personality cult around themselves at home. "No member of the family is allowed to be right except he. He brooks no criticism and likes flattery," it said.

The magazine conceded that in these days it is often the wives who are guilty of this domestic tyranny and sometimes even children.

Drew Rebuke

This drew a rebuke from the Communist Party newspaper, Pravo that "the fight against the cult of personality is a serious thing" and not to be sought in relations between husbands and wives, and parents and children.

Many newspapers said that before World War II the Czechoslovak bourgeoisie created a cult of Dr Thomas Masaryk, founder and first President of modern Czechoslovakia.

They gave him, instead of the Czech and Slovaks people, the credit for liberating their country from the yoke of the Austro-Hungarian empire after World War I and called him the "President-Liberator," said these newspapers.

One of Dr Masaryk's successors as President, the late Herr Klement Gottwald, who was first Communist to become head of the Czechoslovak state, also suffered from a personality cult developed around him by his comrades according to the Communist Party newspaper.

Great Merits

Herr Gottwald, who was elected President after the Communists came to power here in 1948 and died in 1953, was

International Students At Red Cross Meet



Mail Notices

Japan, 6 p.m.
By Surface
Japan, Hawaii, U.S.A., Central &
South America, 4 p.m.
Macau, 6 p.m.

SATURDAY, AUGUST 4
By Air

Peking, Shanghai, Hankow, Kun-
ming, 10 a.m.
Thailand, Malaya, N. Borneo, Indone-
sia, Australia, New Zealand, Ceylon, Nona.
Philippines, 6 p.m.
Thailand, India, Pakistan, Middle
East, Africa, Great Britain, Europe,
6 p.m.
Hawaii, U.S.A., Canada, 6 p.m.
East Asia, Indonesia, Australia, New
Zealand, 6 p.m.
Formosa, Japan, Okinawa, Korea,
6 p.m.

Students from many European countries are attending the Junior Red Cross International Study Centre for a course at Woherst, England. At the end of the course the students will be entertained in private homes. Six of the students are pictured at Red Cross headquarters. From left are: Judith Hibberd, 16, of England; Ase Anderson, 16, of Norway; Mrs Beth Nortgen of Canada; Agneta Skancke, 17, of Sweden; Renate Gocht, 17, of Germany; and Harriet Ann Marr, 16, of the USA—Express Photo.

RAAB GOING TO GERMANY

Vienna, Aug. 2.

Austrian Chancellor Julius Raab will visit Bonn between October 23 and 25 this year. It was officially announced here today.

The West German Chancellor, Dr Konrad Adenauer, sent a special invitation to the Austrian Chancellor to pay him an official visit. This had now been officially accepted.—Reuter.

Heart Injection For Radio Quiz Winner

Buenos Aires, Aug. 2.

While facing a radio microphone to answer the final question in a 100,000 pesos (£2,000 sterling) radio quiz an Argentine housewife had to give a booster injection to a doctor in the audience because of the state of her heart.

For some weeks 46-year-old Mrs Diana Arregui de Martin, a wife, part-time dressmaker and mother of two, had won round after round in a quiz on Greek Mythology.

She would take her place on the platform facing the microphone, look down, and in a monotone voice answer one question after another correctly while the audience held their breaths whenever she hesitated.

As Mrs Arregui de Martin tells it, she first learned of the quiz show when she read a billboard advertisement pasted up near her home. Thinking that it would be a good way to earn some badly-needed money, she overrode the scoldings of her husband, a retired railway worker, and applied to take part.

SURE OF GROUND

But Mrs Arregui de Martin was sure of her ground. She had been for many years reading Greek Mythology to while away the long evening hours. Why Atlas was condemned to support the world on his strong shoulders she finds just as entertaining as a murder thriller or a love story.

The first question shot at her for 100 pesos by the master of ceremonies was: "Who was the son of Thetis and Peleus, a Trojan warrior?"

"Achilles," she shot back.

The second question, for double the sum, she thought would be her last: "Who was Danaus? Who were the Danaides and to what were they doomed?"

She took a full minute to collect her thoughts. Then,

"Danus," she replied, "was the brother of Aegyptus. Aegyptus had 50 sons and Danus 50

daughters. Danus, a greedy man, had his daughters marry his nephews so that he could have two kingdoms. Later he thought he could have had 50 kingdoms if his daughters married 50 different kings, but it was too late.

And the mythological hurdles came and she successfully cleared them.

The night she answered the 50,000-peso series of questions was soon after the June 10 abortive uprising broke out and she looked over-anxious and upset. Her son was doing military service and two of her brothers were in the Army and she had not heard from them for over a week.

As fate would have it, she got the hardest question of the lot on that night: "Name eight of the 12 labours imposed upon Hercules."

PROMPTLY REPLIED

She promptly replied. "He slew the lion of Nemea. He slew the hydra of Lerna. He hunted the wild boar of Mount Erymanthus. He hunted the man-eating birds of Lake Stymphalus. He slew the Cretan bull. He killed Diomedes, King of Thrace, who used to feed his horses with human flesh. He vanquished the Amazons and Hippolyta, their queen. He cleared the Augean stables of King Helios, which contained a large number of oxen and had not been tidied in years.

"Ten," she persevered amid loud applause, although she knew that if she failed she would lose everything. "He stole the golden apples of Hesperidus."

"Eleven," she fetched the cattle of Geryon. "Loud applause and the intervention of the master of ceremonies prevented her from giving the twelfth labour of Hercules."

A few days later came the all—or—nothing 100,000-peso question. When she came on stage she felt faint. A doctor in the audience gave her a booster injection to help her bad heart which had started to worry her.

PAY TAX

When her doctor heard of it later he accused her of being both mad and reckless. "So much emotion could have killed you," he said. But Mrs Arregui de Martin is still alive and hopes to enjoy her 100,000 pesos—that is after taxes.

"First," she says, "I plan to pay the inheritance tax still outstanding on the small cottage my father left me."

The cottage, a modest home on the outskirts of Buenos Aires has an adjacent parcel of land which will be sold and the money divided between her three brothers and sisters. The cottage was left to her when her mother died about a year ago, but taxation staggered her husband's modest pension, and the wife was a godsend.

"Next," she adds, "we will get us some good furniture. The only two of real value things we have at home are the electric iron and the radio. Of course I shall buy some books too."

Asked if they would be on Greek Mythology, she said, "some of them, not necessarily all. Just because I'm interested in mythology does not mean every book I'll own will be on that subject."

In her long and hard life, Mrs Arregui de Martin barely finished primary school, became a seamstress at the age of 18, worked as a post office clerk when returned to stitching which paid better.

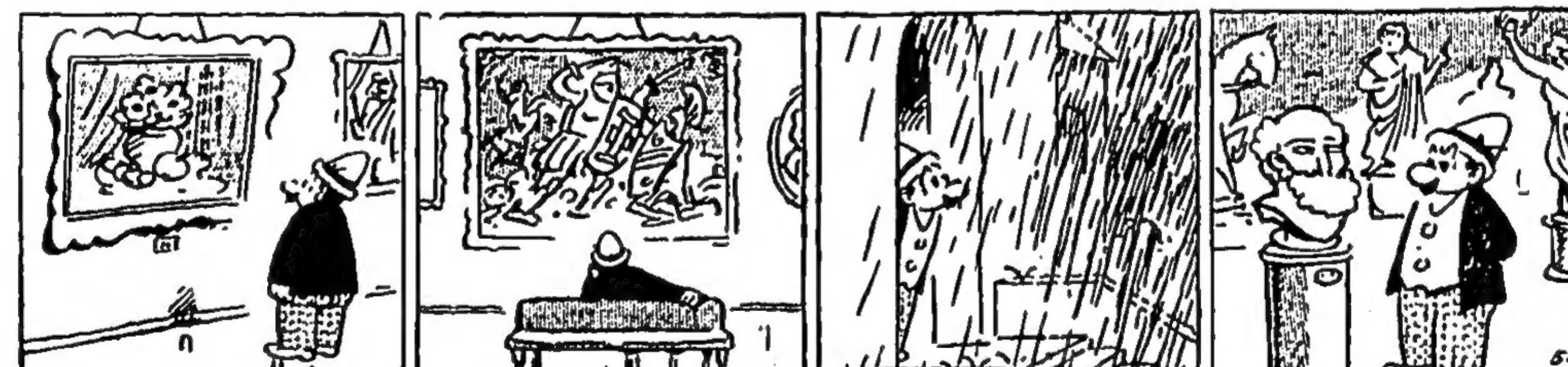
THREE YEARS SCHOOL

Her husband, 52-year-old Emilio Isidoro de Martin, did only three years of primary school before he emigrated with his parents from his native Spain at the age of 19. He worked successively as a car-driver in the vegetable market as a waiter and as a storekeeper before becoming a railroad freight dispatcher—China Mail Special.

MANDRAKE THE MAGICIAN



FERD'NAND



NANCY



TRADE and COMMERCE SECTION

SUEZ NEWS HITS MARKET

But Reaction Came
A Day Late

SPREE IN LANDS

By A SPECIAL CORRESPONDENT

For a whole day last week the Stock Exchange ignored momentous events on the Suez Canal and enjoyed a plunge on the news that rent controls were to be eased and ultimately lifted.

That was Friday. The news that Colonel Nasser, the Egyptian President, had nationalised the Canal company came in early on Friday morning, though too late for the morning papers.

But I heard the news at 8 a.m. over Radio Hongkong and I'm sure others must have.

The afternoon papers were full of it with big black banner headlines, yet for some extraordinary reason the market did not seem to grasp the significance until Monday.

By that time London and New York markets were marked down sharply on the news and Hongkong's reaction was largely based on this.

Why So Slow?

No one seems to know why the market was so slow possibly. It was Friday's news that rent controls were to be lifted by April 1959. The market had expected all week now that controls were to be eased and when the Gazette was followed only the land shares recorded solid gains.

A total of 8,500 Hongkong Lands changed hands at between \$69-71 and then suffered slight profit-taking. There was also interest in Humphreys (three 1,000 lots at \$67) but the spree lasted only that day.

By Monday most stocks were marked down sharply. Tuesday was uncertain. Buyers came in early. This was followed by a spate of profit-taking and then a steeper note appeared. Several stocks closed fractionally higher on the day.

Wednesday was dull, but rates were well maintained.

Still Cautious

One broker thought the news of the "invader" of Burma by Chinese troops unsettled the market but it looks as if the lack of interest usual on Wednesday was mainly responsible.

Yesterday the market was reported to be still "cautious" pending clarification of the Suez Canal situation". Prices yielded ground slightly and the market was generally dull.

So, after beginning the week buoyantly the market closed with only three issues (including Hongkong Banks) steady and the rest down. About half the falls are only fractional, the rest between 40 cents and \$3.

Seven shillings tell the story of the market's break on Monday. Docks fell from \$42 to \$40½. Hotels, from \$16.40 to \$14.80. Lands from \$20.30 to \$19.70. Lights from \$24½ to \$24. Electric from \$32½ to \$31½ and Telephones from \$20½ to \$20. The biggest falls recorded on the week were Wharf \$3½ to \$3. Lands \$1½ to \$0.75. Electric \$1½ to \$1. Copper \$1 to \$0.80. Telephones 60 cents to \$0.20.

Turnover is up—from \$6.61 to \$6.65 million—largely due to Monday's spree. The turnover on that day was almost \$2 million.

Credit In Hongkong

I asked a broker about the credit position in Hongkong. He pointed out that in the previous week, Mr. Harold Macmillan, Chancellor of the Exchequer, had held a private conference of bankers at the Treasury in London ostensibly to discuss credit restrictions in England.

He thought that if this resulted in a higher bank rate it might affect Hongkong in some way.

But at the moment last year's local credit squeeze—the higher borrowing rate and the ceiling on overdrafts—is still being applied.

The squeeze appears to be affecting the market by restraining turnover. This broker feels that if the restrictions were eased there would be more activity.

Large Reserves

But he also appointed that many Chinese banks held large reserves of cash which they were investing in the market periodically. This tended to disguise the full effect of the tight credit policy.

★ The Share Market At A Glance ★

	July 5	July 12	July 19	July 25	Aug 2	down
HK Bank	1700	1690	1690	1670	1670	—\$1
Lombard	47n	48s	47s	47s	46	—\$5
Union	980	980b	990	990	990	—\$10
Underwriters	8.80s	8.80n	8.80n	8.85s	8.85s	—\$10
Union Wboat	233½b	233½b	23.60b	23.60b	23.50b	—\$10
Wheelsocks	9.40	9.35	9.15	9.30	9.10	—\$20
HK Wharf	91½s	89	92	93½	90	—\$3½
HK Dock	41.50	41.25	41.4b	42b	42s	—\$10
Provident	14.50	14.40	14.50	14.70	14.60s	—\$10
HK Hotels	14.50	14.50	14.50	15.80	15.40	—\$10
HK Lands	65	66	66½	67	67½	—\$10
Humphreys	17.10n	17.10b	20	20.30n	20.20	—\$10
HK Realty	1½	1.45b	1½	1.625	1.475m	—\$10
HK Trans	23.00	24.10	24.00	25	24.50	—\$10
Star Ferry	139s	141s	141b	142	137b	—\$5
Yamalais	108	112	114	114	112	—\$2
Ch. Light (o)	24.80	24.90	24.90	25	24.50	—\$10
Ch. Light (n)	21.80	22.20	22.30	22.40	21s	—\$1½
Electric	31½	31½	32½	32½	30	—\$10
HK Telephone	24.00	25.40	25.00	25.80	25.20	—\$10
G.I. Cement	35½b	35½b	37	37½	36½	—\$10
Dairy Farm	16.50	16.00	16.00	16.70	16.30	—\$10
A.S. Watson	11½b	12.80	12.50	12.70	12.40	—\$10
Lane Crawford	31m	29	29	29½b	29.00	—\$10
Vangtze	7.08	7.10s	7.10s	7.05n	7.05n	—\$10
Allied	5.65	5.45	5.25b	5.40n	5.35s	—\$10
HK & FE Inv	11.30	11.10b	11.40s	11.40s	11.20m	—\$10
Textile Corp	5.50	5.25	4.65ca	4.65	4.40s	—\$10
Nanyang	7.60	7.50b	7.60	7.70s	7.60n	—\$10

WORLD RUBBER MARKETS

New York, Aug. 2.
The No. 1 RSS rubber futures contract today closed 40 to 120 points lower with sales of 154 contracts.

The standard contract closed 50 to 90 points lower with sales of 46 contracts.

In New York closed 10 to 45 points lower with sales of 89 contracts. Closing prices.

No. 1 RSS Sept. 30-10-25 Dec. 34-10 Standard contract

Sept. 34-35 Nov. 32-30 Mar. 31-30 May 29-30 July 29-30 Sept. 28-30

Rex Sept. 35-36 Nov. 32-35 Mar. 31-30 May 30-30 July 29-30 Sept. 28-30

Sept. 25-30 Nov. 22-25 Mar. 31-30 May 30-30 July 29-30 Sept. 28-30

Futures prices sawed back and forth all day on speculative trading influenced by the Suez Canal situation. Spot No. 1 RSS was quoted at 35 cents a pound.

SINGAPORE After an uncertain opening the market advanced on trade support. Profit-taking checked the advance later in the day and thereafter prices fluctuated moderately. The market was steeper towards the close but there was some inclination to further selling at slightly lower prices.

Future closings were:

No. 1 rubber per lb. 101½-102½ August 101½-102½ September 101½-102½

No. 2 rubber per lb. Aug. 95½-96½ No. 3 rubber per lb. Aug. 95-96½ No. 4 rubber per lb. Aug. 95-96½

Spot rubber unbalanced 78½-80½ Blanket crepe 119-121½

No. 1 pale crepe 100-102

LONDON The market was easier with 514 quoted at 29½ pence per lb. Prices:

No. 1 lbs spot Settlement house term. 20½-20¾ September 20½-20¾ Oct. 22½-23½

General markets, cif basic price. 27-27½

August 26-26½ September 26-26½ October 26-26½

Estate crepe thin Aug. 30½-30¾ Sept. 30½-30¾

Subject to confirmation.

WALL STREET INDUSTRIALS NEAR ALL-TIME HIGH

New York, Aug. 2.
Industrial stocks failed by a mere one-tenth of a point of setting a new all-time record high in the Standard & Poor's index.

Steel, oil and chemical shorts powered a drive that carried the Dow-Jones average of 30 industrial stocks up 226 points to \$20.95. The all-time high of 521.05 was set on April 8.

The industrials strong showing overshadowed small declines in the railroad and utility averages.

Streets were pace-setters on the belief the 33-day steel strike is near settlement. Inland Steel ran up 3. Bethlehem \$2.50, and Republic \$2. a share. Gains of \$1 or more came in Crucible and Youngstown.

Continental Oil was up \$3.25 in its group.

Metal shares also made a strong showing. Gains of more than \$1 were numerous and included Alcoa, Anaconda, Kaiser Aluminum.

Volume Up

Volume picked up considerably in the last hour and a half, with almost one million shares changing hands in that period. Total volume was 2,530,000 shares, an increase of 400,000 shares over yesterday.

The composite average of the 50 looks at 184.11 was up 0.18 and a record high.

Neither the aluminum strike nor Suez crisis had much influence, if any, on the market today. Good earnings reports and forecasts of a booming fourth quarter triggered demand for stocks.

Of the 1,100 issues traded today, 544 advanced, 394 declined and 223 held unchanged. New highs were made by 68 and new lows by 22.

New York Stock Exchange bond volume was \$4,620,000.

American Stock Exchange volume was 1,210,000 shares.

Dow-Jones closing averages were:

30 Industrial 820.50 170.50 170.50 170.50

20 rails 100.50 100.50 100.50 100.50

Utilities 164.11 164.11 164.11 164.11

20 bonds 95.20 95.20 95.20 95.20

Com. future price index 188.50 188.50 188.50 188.50

Moody's index 410.40 410.40 410.40 410.40

Subject to confirmation.

Closing Prices

Alcan Inc. Aug.	\$104
Allied Chemicals	131½
Allied Mills Inc.	25½
American Airlines	27½
American Cyanamid Co.	74½
American Metal	20½
American Tires & Rubber	18½
Amcorona Copper	80½
Armco Steel	19½
Armour & Ogle	19½
Bentlecom Cont.	17½
Bethlehem Steel	61½
Borden (The) Co.	25½
Brown Brothers Harriman & Co.	25½
Canadian Pacific R.	91½
Cat. Tractor	19½
Celanese Corp.	19½
C.I.T. Financial Corp.	60½
Chrysler Motors	61½
Chrysler-Peugeot Co.	22½
Commercial Credit	21½
Continental Biscuit Co.	16½
Continental Oil of Del.	12½
Crane Co.	10½
Crown Zellerbach	10½
Crown Amer. Sisal Co.	10½
Dow Chemicals	77½

United Press.

